

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-336-E - ORDER NO. 2005-629
OCTOBER 28, 2005

IN RE: Application of South Carolina Electric & Gas) ORDER
 Company for Approval of a Contract for) APPROVING
 Electric Service Between Parkdale America,) CONTRACT
 LLC)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of South Carolina Electric & Gas Company (SCE&G or the Company) for approval of a Contract by Electric Service (Contract) between the Company and Parkdale America, LLC. The contract governs the Company's service to Parkdale's plant near Edgefield, South Carolina. According to the Company's request, Parkdale is a cotton yarn spinning facility. Parkdale purchased this facility from Delta Apparel several years ago. The contract involves an upgrade of equipment to the existing plant which will increase the load and in turn make the plant more efficient, giving it a better chance for obtaining future work and job retention. Parkdale considered several of its plants for the upgraded equipment, but ultimately chose this plant in Edgefield, South Carolina. The economic incentives offered in the contract apply only to the new load.

The Office of Regulatory Staff (ORS) has reviewed the filing and has no objection to the proposed electric service contract as filed. ORS notes that this contract was executed under SCE&G's economic development program and provides economic

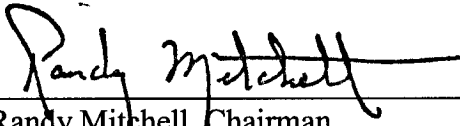
incentives associated with new load only. As ORS states, SCE&G entered into this agreement to retain and expand the load being served at this facility. As noted in the request, there was competition for the addition of the significant investment in this new load from locations other than the Edgefield plant, and by acquiring the new load at the South Carolina location it will allow the plant to be more efficient and give it a better chance to obtain future work and job retention.

ORS states that if the Commission is inclined to grant this request, it recommends including a provision to require SCE&G to track any resulting revenue shortfall and reserve the appropriate ratemaking treatment related to any shortfall for a future rate proceeding or review as determined by the Commission.

We have examined the proposed contract and hereby approve it as being in the public interest. Clearly the ability to upgrade equipment, increase the load, and making the plant more efficient will give the plant a better chance for obtaining future work and job retention. We do hold that SCE&G shall track any resulting revenue shortfall and reserve the appropriate ratemaking treatment related to any shortfall for a future rate proceeding or for review as determined by this Commission at some future time.

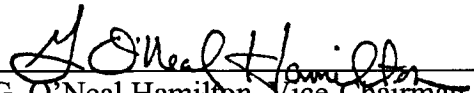
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)